

Unaudited Financial Statements And Dividend Announcement for the third quarter and nine months ended 31 March 2019

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Third Quarter Ended			Nine Months Ended		
	31 Mar 2019 RM'000	31 Mar 2018 RM'000	+/- %	31 Mar 2019 RM'000	31 Mar 2018 RM'000	+/- %
Turnover	124,755	115,358	8	378,303	348,398	9
Cost of services	(82,654)	(73,989)	12	(245,859)	(223,620)	10
Gross profit	42,101	41,369	2	132,444	124,778	6
Interest income	333	205	62	1,145	897	28
Other gains/ (losses) – net	2,348	1,863	26	(1,197)	1,666	NM
Distribution and marketing costs	(1,858)	(1,349)	38	(5,391)	(3,307)	63
Administrative costs	(21,880)	(18,476)	18	(66,040)	(53,721)	23
Finance costs	(3,061)	(1,536)	99	(11,195)	(6,844)	64
Share of results of associates	(100)	-	100	(115)	(1)	NM
Profit before tax	17,883	22,076	(19)	49,651	63,468	(22)
Tax	(6,511)	(6,198)	5	(19,981)	(18,083)	10
Profit after tax	11,372	15,878	(28)	29,670	45,385	(35)
Other comprehensive income						
Item that may be reclassified subsequently to profit or loss:						
Cash flow hedges						
– Fair value losses	(1,265)	-	100	(1,265)	-	100
– Reclassification	44	-	100	44	-	100
Currency translation difference arising from consolidation						
– Gains	1,107	1,036	7	4,945	2,946	68
– Reclassification	-	-	-	-	1,764	(100)
Total comprehensive income	11,258	16,914	(33)	33,394	50,095	(33)
Profit/ (loss) attributable to:						
Equity holders of the Company	13,429	15,880	(15)	35,330	45,390	(22)
Non-controlling interests	(2,057)	(2)	NM	(5,660)	(5)	NM
	11,372	15,878	(28)	29,670	45,385	(35)
Total comprehensive income attributable to:						
Equity holders of the Company	13,649	16,915	(19)	39,515	50,099	(21)
Non-controlling interests	(2,391)	(1)	NM	(6,121)	(4)	NM
Total comprehensive income	11,258	16,914	(33)	33,394	50,095	(33)

NM - Not Meaningful

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

The Group's total comprehensive income for the financial period is derived after charging/ (crediting):

Note	Third Quarter Ended			Nine Months Ended		
	31 Mar 2019 RM'000	31 Mar 2018 RM'000	+/- %	31 Mar 2019 RM'000	31 Mar 2018 RM'000	+/- %
Share-based payment expenses	500	915	(45)	1,575	1,189	32
Depreciation	7,295	5,233	39	21,422	15,717	36
(Reversal of)/ Allowance for impairment of trade and other receivables - net	(35)	181	NM	101	561	(82)
Foreign exchange (gain)/ loss						
- realised	(681)	79	NM	5,451	1,910	185
- unrealised	(45)	(558)	(92)	281	(352)	NM
Fair value loss/ (gain) on financial derivatives:						
- realised	-	8	(100)	-	(568)	(100)
Loss on disposal and write-off of property, plant and equipment	32	4	NM	107	25	NM
Professional fees incurred in relations to acquisition of stakes in Plus Medical ¹	259	-	100	709	-	100

NM - Not Meaningful

¹ Refer to announcement made on SGXNet on 14 December 2018 and 15 March 2019

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	G r o u p		C o m p a n y	
	As at 31 Mar 2019 RM'000	As at 30 Jun 2018 RM'000	As at 31 Mar 2019 RM'000	As at 30 Jun 2018 RM'000
ASSETS				
Current assets				
Cash and cash equivalents	59,616	58,891	9,116	4,962
Trade and other receivables	55,684	45,401	8,197	51,698
Tax recoverable	1	1	-	-
Inventories	14,871	14,029	-	-
Other current assets	8,112	10,820	222	120
	138,284	129,142	17,535	56,780
Non-current assets				
Trade and other receivables	-	-	57,362	-
Other non-current assets	821	484	165	161
Investments in associated corporations	12,553	15	-	33
Investments in subsidiaries	-	-	619,551	637,126
Property, plant and equipment	576,096	459,595	1,319	779
	589,470	460,094	678,397	638,099
Total assets	727,754	589,236	695,932	694,879
LIABILITIES				
Current liabilities				
Trade and other payables	95,356	109,111	4,607	4,441
Derivative financial instruments	1,271	-	-	-
Current income tax liabilities	7,971	5,351	-	-
Borrowings	27,499	89,229	16,625	75,825
Deferred income	1,882	2,698	-	-
	133,979	206,389	21,232	80,266
Non-current liabilities				
Trade and other payables	21,525	20,984	-	-
Borrowings	299,327	107,149	400	-
Deferred income tax liabilities	8,212	8,688	-	-
	329,064	136,821	400	-
Total liabilities	463,043	343,210	21,632	80,266
NET ASSETS	264,711	246,026	674,300	614,613
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	590,885	590,885	590,885	590,885
Treasury shares	(1,837)	(1,290)	(1,837)	(1,290)
Currency translation reserve	27,808	22,771	1,008	(8,618)
Other reserves	(483,277)	(481,830)	2,841	1,304
Retained earnings	140,095	121,581	81,403	32,332
	273,674	252,117	674,300	614,613
Non-controlling interests	(8,963)	(6,091)	-	-
TOTAL EQUITY	264,711	246,026	674,300	614,613

- (b)(ii) In relation to the aggregate amount for the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

- (a) Amount repayable in one year or less, or on demand;

As at 31 Mar 2019		As at 30 Jun 2018	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
10,935	16,564	83,299	5,930

- (b) Amount repayable after one year; and

As at 31 Mar 2019		As at 30 Jun 2018	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
299,327	-	107,149	-

- (c) Details of any collaterals.

The Group

A memorandum of charge on the lands and buildings of certain subsidiaries in Malaysia and charge on the medical suites owned by a subsidiary in Singapore.

The Group's borrowings include finance lease liabilities of approximately RM 33.2 million (FY2018: RM 12.6 million), which are effectively secured as the rights to the hire purchase asset will revert to the hiree in the event of default.

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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	Third Quarter Ended		Nine Months Ended	
		31 Mar	31 Mar	31 Mar	31 Mar
		2019	2018	2019	2018
		RM'000	RM'000	RM'000	RM'000
Cash Flows from Operating Activities					
Profit after tax		11,372	15,878	29,670	45,385
Adjustments for:					
Income tax expense		6,511	6,198	19,981	18,083
Depreciation		7,295	5,233	21,422	15,717
(Reversal of)/ Allowance for impairment of trade and other receivables - net		(35)	181	101	561
Interest expense		3,061	1,536	11,195	6,844
Share-based payment expenses		500	915	1,575	1,189
Interest income		(333)	(205)	(1,145)	(897)
Loss on disposal and write-off of property, plant and equipment		32	4	107	25
Share of loss of associated corporations		100	-	115	1
Currency translation differences		1,790	439	10,461	596
Operating cash flow before working capital changes		30,293	30,179	93,482	87,504
Changes in operating assets and liabilities:					
Inventories		(121)	79	(840)	(350)
Trade and other receivables		(5,610)	(1,784)	(10,589)	(3,178)
Other current and non-current assets		10,778	(2,709)	2,753	(1,163)
Trade and other payables		7,798	(1,076)	(1,355)	(9,545)
Derivative financial instruments		-	-	-	(582)
Deferred income		284	549	(849)	(309)
Cash provided by operations		43,422	25,238	82,602	72,377
Interest paid		(3,060)	(1,465)	(8,700)	(5,432)
Tax paid		(2,987)	(1,736)	(9,662)	(4,807)
Net cash provided by operating activities		37,375	22,037	64,240	62,138
Cash Flows from Investing Activities					
Additions to property, plant and equipment		(120,623)	(1,310)	(132,803)	(17,299)
Proceeds from disposal of property, plant and equipment		1	385	421	511
Acquisition of interests in an associated corporation		(12,677)	-	(12,677)	-
Interest received		333	205	1,145	897
Net cash used in investing activities		(132,966)	(720)	(143,914)	(15,891)
Cash Flows from Financing Activities					
Drawdown of borrowings		96,762	-	313,399	-
Repayment of borrowings		(12,342)	(9,706)	(208,004)	(63,685)
Repayment of lease liabilities		(2,377)	(1,828)	(7,004)	(4,657)
Payment of borrowing related costs		(559)	-	(1,267)	-
Shareholder loans from non-controlling interests of a subsidiary		-	-	1,098	-
Decrease/ (increase) in restricted cash		-	-	1,448	(765)
Proceeds from issuance of ordinary shares		-	-	-	33,615
Purchase of treasury shares		-	-	(585)	-
Share issue expenses		-	-	-	(29)
Dividends paid to equity holders of the Company		(8,394)	(8,589)	(16,816)	(16,673)
Net cash provided by/ (used in) financing activities		73,090	(20,123)	82,269	(52,194)
Net (decrease)/ increase in cash and cash equivalents		(22,501)	1,194	2,595	(5,947)
Cash and cash equivalents at beginning of financial period		82,162	68,448	56,848	76,041
Effect of exchange rate changes on cash and cash equivalents		(45)	(394)	173	(846)
Cash and cash equivalents at end of financial period		59,616	69,248	59,616	69,248

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (Continued)

	Note	Third Quarter Ended		Nine Months Ended	
		31 Mar	31 Mar	31 Mar	31 Mar
		2019	2018	2019	2018
		RM'000	RM'000	RM'000	RM'000
Cash and equivalents comprise:					
Cash and bank balances		59,616	70,687	59,616	70,687
Restricted cash		-	(1,439)	-	(1,439)
		<u>59,616</u>	<u>69,248</u>	<u>59,616</u>	<u>69,248</u>

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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group

	Attributable to equity holders of the Company					Non-controlling Interests	Total Equity
	Share Capital	Treasury Shares	Currency Translation Reserve	Other Reserves	Retained Earnings		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 Jul 2017	557,270	(1,022)	17,845	(483,118)	77,661	11	168,647
Exchange translation difference	-	-	7,881	-	-	(1)	7,880
Net profit/ (loss) for the period	-	-	-	-	13,786	(1)	13,785
Total comprehensive income/ (loss) for the financial period	-	-	7,881	-	13,786	(2)	21,665
Balance as at 30 Sep 2017	557,270	(1,022)	25,726	(483,118)	91,447	9	190,312
Exchange translation difference	-	-	(4,207)	-	-	1	(4,206)
Net profit/ (loss) for the period	-	-	-	-	15,724	(2)	15,722
Total comprehensive (loss)/ income for the financial period	-	-	(4,207)	-	15,724	(1)	11,516
Treasury shares issued	-	28	-	(28)	-	-	-
Share-based payment	-	-	-	302	-	-	302
Issue of new shares	33,615	-	-	-	-	-	33,615
Dividend relating to 2017 paid	-	-	-	-	(8,087)	-	(8,087)
Balance as at 31 Dec 2017	590,885	(994)	21,519	(482,844)	99,084	8	227,658
Exchange translation difference	-	-	1,035	-	-	1	1,036
Net profit/ (loss) for the period	-	-	-	-	15,880	(2)	15,878
Total comprehensive income/ (loss) for the financial period	-	-	1,035	-	15,880	(1)	16,914
Share-based payment	-	-	-	915	-	-	915
Interim dividend relating to 2018 paid	-	-	-	-	(8,589)	-	(8,589)
Balance as at 31 Mar 2018	590,885	(994)	22,554	(481,929)	106,375	7	236,898

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The Group

	Attributable to equity holders of the Company						Total Equity RM'000
	Share Capital	Treasury Shares	Currency Translation Reserve	Other Reserves	Retained Earnings	Non- controlling Interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 Jul 2018	590,885	(1,290)	22,771	(481,830)	121,581	(6,091)	246,026
Exchange translation difference	-	-	2,942	-	-	(143)	2,799
Net profit/ (loss) for the period	-	-	-	-	10,648	(1,884)	8,764
Total comprehensive income/ (loss) for the financial period	-	-	2,942	-	10,648	(2,027)	11,563
Treasury shares issued	-	38	-	(38)	-	-	-
Share-based payment	-	-	-	526	-	-	526
Purchase of treasury shares	-	(585)	-	-	-	-	(585)
Balance as at 30 Sep 2018	590,885	(1,837)	25,713	(481,342)	132,229	(8,118)	257,530
Exchange translation difference	-	-	1,023	-	-	16	1,039
Net profit/ (loss) for the period	-	-	-	-	11,253	(1,718)	9,535
Total comprehensive income/ (loss) for the financial period	-	-	1,023	-	11,253	(1,702)	10,574
Share-based payment	-	-	-	549	-	-	549
Acquisition of additional equity interest in a subsidiary from non-controlling interests	-	-	-	(2,132)	-	1,689	(443)
Recapitalisation of shareholder's loan from non-controlling interests of a subsidiary	-	-	-	-	-	1,559	1,559
Dividend relating to 2018 paid	-	-	-	-	(8,422)	-	(8,422)
Balance as at 31 Dec 2018	590,885	(1,837)	26,736	(482,925)	135,060	(6,572)	261,347
Exchange translation difference	-	-	1,072	-	-	35	1,107
Other comprehensive income for the quarter	-	-	-	(852)	-	(369)	(1,221)
Net profit/ (loss) for the period	-	-	-	-	13,429	(2,057)	11,372
Total comprehensive income/ (loss) for the financial period	-	-	1,072	(852)	13,429	(2,391)	11,258
Share-based payment	-	-	-	500	-	-	500
Interim dividend relating to 2019 paid	-	-	-	-	(8,394)	-	(8,394)
Balance as at 31 Mar 2019	590,885	(1,837)	27,808	(483,277)	140,095	(8,963)	264,711

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	Share Capital	Treasury Reserves	Other Reserves	Retained Earnings	Currency Translation Reserves	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 Jul 2017	557,270	(1,022)	16	12,886	22,002	591,152
Net profit for the period	-	-	-	7,134	-	7,134
Exchange translation difference	-	-	-	-	(5,086)	(5,086)
Balance as at 30 Sep 2017	557,270	(1,022)	16	20,020	16,916	593,200
Net profit for the period	-	-	-	15,696	-	15,696
Exchange translation difference	-	-	-	-	(13,453)	(13,453)
Treasury shares issued	-	28	(28)	-	-	-
Issuance of new shares	33,615	-	-	-	-	33,615
Share-based payment	-	-	302	-	-	302
Dividend relating to 2017 paid	-	-	-	(8,087)	-	(8,087)
Balance as at 31 Dec 2017	590,885	(994)	290	27,629	3,463	621,273
Net loss for the period	-	-	-	(3,748)	-	(3,748)
Exchange translation difference	-	-	-	-	(15,379)	(15,379)
Share-based payment	-	-	915	-	-	915
Interim dividend relating to 2018 paid	-	-	-	(8,589)	-	(8,589)
Balance as at 31 Mar 2018	590,885	(994)	1,205	15,292	(11,916)	594,472
Balance as at 1 Jul 2018	590,885	(1,290)	1,304	32,332	(8,618)	614,613
Net profit for the period	-	-	-	35,976	-	35,976
Exchange translation difference	-	-	-	-	13,307	13,307
Treasury shares issued	-	38	(38)	-	-	-
Share-based payment	-	-	526	-	-	526
Purchase of treasury shares	-	(585)	-	-	-	(585)
Balance as at 30 Sep 2018	590,885	(1,837)	1,792	68,308	4,689	663,837
Net profit for the period	-	-	-	17,259	-	17,259
Exchange translation difference	-	-	-	-	1,311	1,311
Share-based payment	-	-	549	-	-	549
Dividend relating to 2018 paid	-	-	-	(8,422)	-	(8,422)
Balance as at 31 Dec 2018	590,885	(1,837)	2,341	77,145	6,000	674,534
Net profit for the period	-	-	-	12,652	-	12,652
Exchange translation difference	-	-	-	-	(4,992)	(4,992)
Share-based payment	-	-	500	-	-	500
Interim dividend relating to 2019 paid	-	-	-	(8,394)	-	(8,394)
Balance as at 31 Mar 2019	590,885	(1,837)	2,841	81,403	1,008	674,300

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Following the share buy-back on 12 July 2018 and the partial vesting of a time-based award comprising of 33,333 shares under the HMI Performance Share Plan 2017 on 30 September 2018, where the award was fulfilled via transfer from treasury shares, the total number of issued ordinary shares in the share capital of the Company remains unchanged at 838,980,880 (which includes 1,642,934 (30 June 2018: 1,336,267) treasury shares) as at 31 March 2019.

Share buy-backs

The Company purchased an aggregate of 340,000 ordinary shares on 12 July 2018.

HMI Performance Share Plan 2017

Following the approval of HMI Performance Share Plan 2017 obtained at the annual general meeting of the Company held on 30 October 2017, three awards comprising up to 3,600,000 shares and five awards comprising up to 1,200,000 shares were granted by the Company to certain directors and employees of the Company on 24 November 2017 and 1 December 2017 respectively. In addition, a time-based award of 100,000 shares were granted on 1 December 2017 to an employee, of which, 33,333 shares were vested immediately on 1 December 2017 and another 33,333 shares vested on 30 September 2018.

	<u>Total number of shares that may be issued on conversion</u>
<u>Addition:</u>	
Three awards comprising up to 3,600,000 shares as at 24 November 2017	3,600,000
Five awards comprising up to 1,200,000 shares as at 1 December 2017	1,200,000
One time-based award comprising of 100,000 shares as at 1 December 2017	100,000
<u>Deduction:</u>	
Partial vesting of time-based award comprising 33,333 shares each as at 1 December 2017 and 30 September 2018	(66,666)
31 March 2019	<u>4,833,334</u>

The above three awards granted as at 24 November 2017 will only be vested upon the achievement of the Group EBIT threshold level and total shareholder return threshold level, and subject to other terms and conditions set out in the award letter, anytime within 4 weeks from the Group's FY2020 Annual General Meeting.

The above five awards granted as at 1 December 2017 will only be vested upon achievement of the Group FY2020 EBIT threshold level and/or the total shareholder return threshold level, and subject to other terms and conditions set out in the award letter, anytime within 4 weeks from the Group's FY2020 Annual General Meeting.

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. (Continued)**

The one time-based award granted as at 1 December 2017, 33,334 shares will be vested on 30 September 2019.

As at 31 March 2019, the number of shares that may be issued upon vesting of awards are 4,833,334 shares (31 March 2018: 4,866,667 share).

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The Company's total number of issued shares excluding treasury shares is 837,337,946 (30 June 2018: 837,644,613) as at the end of the current financial period. Total number of treasury shares is 1,642,934 and 1,336,267 as at 31 March 2019 and 30 June 2018 respectively.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Following the partial vesting of a time-based award under HMI Performance Share Plan 2017 on 30 September 2018, 33,333 treasury shares were transferred to an employee during the nine months ended 31 March 2019.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 31 March 2019 (31 March 2018).

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The financial statements for the nine months ended 31 March 2019 have not been audited nor reviewed by the independent auditor.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the year ended 30 June 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Except for the adoption of the new financial reporting framework as disclosed in the paragraph below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current period compared to the Group's most recently audited financial statements for the year ended 30 June 2018.

On 1 July 2018, the Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s) and has prepared its financial information under SFRS(I)s for the third quarter and nine months ended 31 March 2019. In adopting SFRS(I)s, the Group is required to apply all the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Group has also concurrently applied new major accounting standards (1) SFRS(I) 9 Financial Instruments and (2) SFRS(I) 15 Revenue from Contracts with Customers. The adoption of the new financial reporting framework has no material impact to the Group's accounting policies and financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

(a) Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net profit attributable to equity holders of the Company (RM'000)	13,429	15,880	35,330	45,390
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	837,338	837,805	837,341	828,743
(i) Basic earnings per share (RM cents per share)	1.60	1.90	4.22	5.48
Weighted average number of ordinary shares adjusted for the effects of dilutive potential ordinary shares ('000)	842,171	842,671	842,185	830,974
(ii) Diluted earnings per share (RM cents per share)	1.59	1.88	4.20	5.46

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	As at 31 Mar 2019	As at 30 Jun 2018
The Group		
Net asset value attributable to ordinary shareholders (RM'000)	273,674	252,117
Total number of issued shares excluding treasury shares ('000)	837,338	837,644
Net asset value per share (RM cents per share)	32.68	30.10
The Company		
Net asset value attributable to ordinary shareholders (RM'000)	674,300	614,613
Total number of issued shares excluding treasury shares ('000)	837,338	837,644
Net asset value per share (RM cents per share)	80.53	73.37

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: –**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(i) INCOME STATEMENT

Third Quarter

For the three months ended 31 March 2019 ("Q32019"), the Group's turnover increased by 8.1% from RM 115.4 million to RM 124.8 million, when compared with the previous corresponding period ("Q32018"). Turnover from the Group's healthcare business accounted for approximately RM 9.5 million of the increase mainly due to higher patient load and average bill sizes in its two hospitals i.e. Mahkota Medical Centre Sdn. Bhd. ("MMC") and Regency Specialist Hospital Sdn. Bhd. ("RSH"). The Group's education business registered a RM 0.2 million decrease in revenue due to lower student headcount.

Gross profit margin decreased to 33.7% from 35.9% in Q32019 as a result of impact from the Group's new specialist centre business in Singapore, StarMed Specialist Centre ("SSC") which started operations in Q12019. Other gains increased by RM 0.5 million to RM 2.3 million in Q32019 compared to RM 1.9 million in the corresponding period in the prior year. This was mainly due to the strengthening of the Malaysian ringgit during the quarter which resulted in foreign exchange gains of RM 0.7 million compared to RM 0.5 million in Q32018.

(i) INCOME STATEMENT (Continued)

Third Quarter (Continued)

Distribution & marketing expenses in Q32019 increased by RM 0.5 million as compared to Q32018 due to increased marketing and branding efforts. Administrative expenses increased by RM 3.4 million as compared to the previous financial period mainly due to administrative expenses incurred by SSC, higher general operating costs in the Group entities offset by RM 0.4 million lower share-based payment expenses. Finance costs increased by RM 1.5 million mainly due to mortgage financing costs incurred by SSC.

As a result of the above, the Group registered a 19.0% decrease in profit before tax of RM 17.9 million in Q32019, as compared to RM 22.1 million in Q32018. The profit attributable to shareholders was RM 13.4 million and RM 15.9 million in Q32019 and Q32018 respectively, whereas loss attributable to non-controlling interests was RM 2.1 million in Q32019.

Nine Months

For the nine months ended 31 March 2019 ("9M2019"), the Group's turnover increased by RM 29.9 million and 8.6% from RM 348.4 million to RM 378.3 million, when compared with the previous corresponding period ("9M2018"). Turnover from the Group's healthcare business accounted for approximately RM 31.1 million of the increase mainly due to higher patient load and average bill sizes in its two hospitals i.e. MMC and RSH. The Group's education business registered a RM 1.2 million decrease in revenue due to lower student headcount.

Gross profit margin remained strong at 35.0% compared to 35.8% in the prior period. Other losses of RM 1.2 million was recorded in 9M2019 compared to other gains of RM 1.7 million in 9M2018. The losses were mainly due to higher foreign exchange losses of RM 5.7 million recorded in the 9M2019 compared to RM 1.5 million in 9M2018 as a result of a weaker Malaysian ringgit, offset by higher gains from sale of medical suites recorded in 9M2019.

Distribution & marketing expenses in 9M2019 were RM 2.1 million higher due to increased marketing and branding efforts. Administrative expenses increased by RM 12.3 million as compared to the previous financial period mainly due to administrative expenses incurred by SSC, higher general operating costs in the Group entities and RM 0.4 million higher share-based payment expenses.

Finance costs increased by RM 4.4 million mainly due to the accelerated amortisation of RM 2.5 million of capitalised expenses relating to the term loan facility drawn down for the acquisition of non-controlling interests in MMC and RSH when the loan was restructured in Q12019, and higher mortgage financing costs incurred by SSC.

As a result of the above, the Group registered a profit before tax of RM 49.7 million in Q32019, 21.8% lower as compared to RM 63.5 million in 9M2018. Tax expense increased by RM 1.9 million mainly due to higher profitability of both hospitals. The profit attributable to shareholders was RM 35.3 million and RM 45.4 million in 9M2019 and 9M2018 respectively, whereas loss attributable to non-controlling interests was RM 5.7 million in 9M2019.

(ii) BALANCE SHEET

The cash and cash equivalents of the Group remained strong at RM 59.6 million as at 31 March 2019.

Trade and other receivables increased by RM 10.3 million, driven mainly by higher revenue generated during the nine months ended 31 March 2019 and timing of collection. Other current assets decreased by RM 2.7 million due to lower prepayments and deposits.

(ii) BALANCE SHEET (Continued)

The RM 116.5 million increase in property, plant and equipment was mainly due to acquisition of additional units at Farrer Square, where SCC is located². The aggregate purchase price for the additional units approximated RM 111 million and was completed in January 2019. There were also acquisition of new medical equipment by the hospitals during the period and the increase was offset by depreciation expenses.

With reference to the announcement made on SGXNet on 14 December 2018 and 15 March 2019, investment in associated companies increased to RM 12.5 million as at 31 March 2019 with the completion of the acquisition of 28% of the issued share capital of Plus Medical Holdings Pte. Ltd. ("Plus Medical") on 15 March 2019.

Trade and other payables decreased by RM 13.8 million mainly due to refinancing of certain trade payables as at 30 June 2018 with hire purchase financing during the period, offset by increase in amount due to RB Capital for purchase of additional units at Farrer Square. The RM 130.4 million increase in total borrowings was mainly due to drawdown of additional RM 89.1 million term loan for the purchase of the additional floor at Farrer Square and re-financing of certain trade payables with hire purchase financing by SCC during the period.

Current income tax liabilities increased by RM 2.6 million when compared to 30 June 2018 due to higher profitability of the Group's hospitals and timing differences in tax payments to authorities.

(iii) CASH FLOW STATEMENT

Third Quarter

Net cash generated from operating activities for the quarter was RM 37.4 million, RM 15.3 million higher than the previous period, mainly due to better cash management by the Group.

Net cash used in investing activities for the current period was RM 133.0 million, RM 132.3 million higher, compared to RM 0.7 million in the corresponding period in the previous year, mainly due to the acquisition of additional units at Farrer Square for approximately RM 111.4 million and RM 12.7 million capital injection into Plus Medical during the period.

Net cash generated from financing activities was RM 73.1 million in the current quarter due to drawdown of RM 96.8 million of term loan and revolving credit facilities, offset by RM 12.3 million repayment of borrowings and RM 8.4 million final dividends paid to shareholders.

Nine months

Net cash from operating activities for the nine months ended was RM 64.2 million, RM 2.1 million higher than the previous period. This was mainly due to better cash management by the Group.

Net cash used in investing activities for the current period was RM 143.9 million, compared to RM 15.9 million used in the corresponding period in the previous year. The increase was mainly due to the acquisition of additional units at Farrer Square for approximately RM 111.4 million and RM 12.7 million capital injection into Plus Medical during the period.

Net cash generated from financing activities was RM 82.3 million in 9M2019 mainly as a result of the drawdown of RM 313.4 million borrowings, offset by repayment of RM 208.0 million of borrowings and RM 16.8 million final dividends paid to shareholders. Drawdown of RM 121.7 million and repayment of RM 120.1 million was resulted from the re-financing of a loan with another bank during the period.

² Refer to announcement made on SGXNet on 15 October 2018

(iv) USE OF PROCEEDS

Further to the Group's announcement dated 15 March 2019 in relation to the use of proceeds from the Placement to a fund managed by Heliconia Capital Management Pte Ltd, the net proceeds from the Placement Shares of approximately SGD 0.51 million has been fully utilised to fund the acquisition of shares in Plus Medical Holdings Pte. Ltd. as stated in the announcements dated 14 December 2018 and 15 March 2019 respectively.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group's hospitals in Malaysia continue to do well and register year-on-year ("yoy") increases in revenue and patient volume. To cope with the growing number of patients at the Group's hospitals, both MMC and RSH continue to progress on their respective upgrading and expansion plans.

At MMC, the hospital continues to focus on developing its Centres of Excellence and expanding and upgrading its facilities to cater to increasing patient loads. The 218-bed capacity RSH will be constructing a new hospital extension block adjacent to its existing hospital building to cater to the growing number of patients. Construction of the new extension block has begun. With the new extension block, RSH will become a 380-bed tertiary hospital with capacity to expand to an eventual 500-bed hospital. The hospital extension block is targeted to be commissioned in 2021.

In Malaysia, an increasing domestic insurance take-up rate, an aging population and increasing regional connectivity are expected to further contribute to the growth of private healthcare services with BMI Research forecasting health expenditure to grow 7.9% p.a. from 2016 to 2020. The recent budget has allocated RM 20 million to boost Malaysia's healthcare travel industry. Malaysia plans to promote medical tourism with expanded medical tourism packages, special incentives and tax allowance for healthcare facilities promoting medical tourism.

However, the healthcare landscape in Malaysia remains competitive. In Malacca and Johor where our hospitals operate, the expansion of existing hospitals and the upcoming opening of new hospitals have led to increased competition for patients, doctors and other skilled manpower. This has resulted in higher operating costs, in particular for skilled manpower. In Johor, new hospitals such as KPJ Bandar Dato Onn Hospital has opened and Columbia Asia Southkey Hospital is expected to open later in the year. In addition, economic uncertainties and depreciating regional currencies (in particular the Indonesian Rupiah) has impacted private healthcare expenditure, especially for self-funded patients.

In Singapore, the Group acquired a majority stake in a new private one-stop ambulatory centre, SSC, in May 2018. The centre has completed renovations and received its licenses to operate from the Singapore Ministry of Health. SSC has commenced operations in FY2019, and the Group expects to incur gestation start-up costs from its operations for potentially up to 3 years.

On 15 March 2019, the Group completed the acquisition of shares in Plus Medical Holdings Pte. Ltd. ("Plus Medical") and now holds 28% of the issued share capital of Plus Medical. Plus Medical owns a chain of primary care clinics in Singapore. The investment is expected to be synergistic with SSC in respect of establishing an expanded healthcare network in Singapore.

11. If a decision regarding dividend has been made –

(a) Whether an interim (final) ordinary dividend has been declared (recommended).

None.

(b) (i) Amount per share.

Not applicable.

(ii) Previous corresponding period.

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained an IPT mandate from shareholders. It does not have any IPT (excluding transaction less than S\$100,000) for the nine months ended 31 March 2019 that is disclosable under Rule 920(1)(a) (ii) of the SGX-ST Listing Manual.

14. Negative Confirmation Pursuant to Rule 705(5) of the SGX-ST Listing Manual (Not required for announcement on full year results).

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements of the Company or the unaudited consolidated financial statements of the Group for the nine months ended 31 March 2019 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7 of the Mainboard Rules) under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Dr Gan See Khem
Executive Chairman and Managing Director
13 May 2019